3/23/87 A0400 -

The Aluminum Situation

Department of Economics and Statistics **March 1987**

Shipments Down 4.7 Percent in January

Total industry net shipments for January 1987, at an estimated 1,206 million pounds, were down 4.7 percent from the January 1986 total of 1,265 million pounds.

Domestic shipments of 1,121 million pounds were down 4.4 percent from the January 1986 total of 1,172 million pounds.

Imports of ingot and mill products were up 23.6 percent and exports were down 8.2 percent.

Thru January

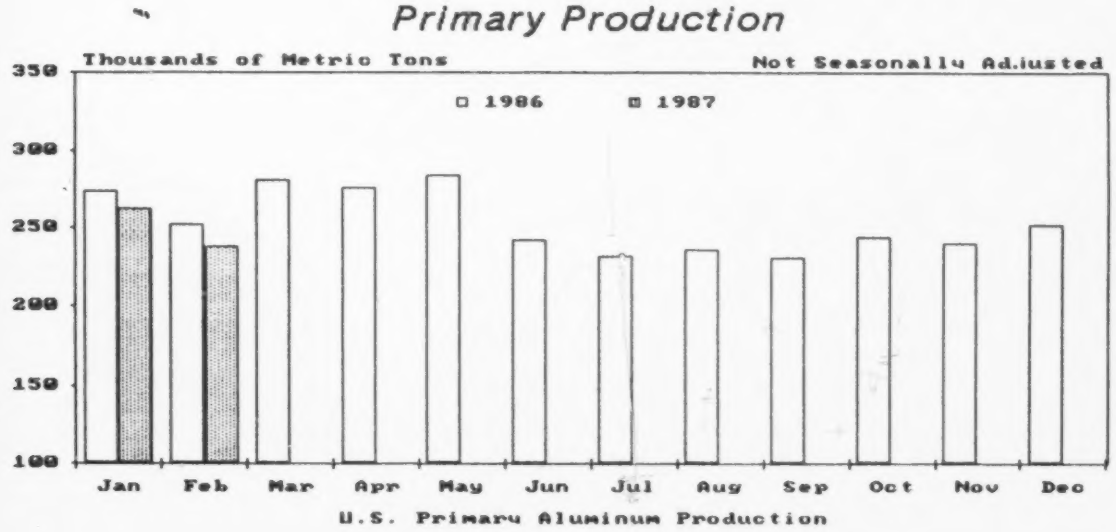
	1 Mos. 1987	1 Mos. 1986	% Change
Mill Products	1,026	1,027	- 0.1%
Ingot	180	238	-24.4%
Total	1,206	1,265	- 4.7%
Less Exports	-85	-93	- 8.2%
Domestic Total	1,121	1,172	- 4.4%

Millions of Pounds
Source: Latest month estimated by the Aluminum Association.
Previous data-Bureau of the Census.

Production Rate Down 5.5 Percent

U.S. primary aluminum production averaged 8,482 metric tons daily during February 1987, compared with and average 8,980 metric tons per day in February 1986.

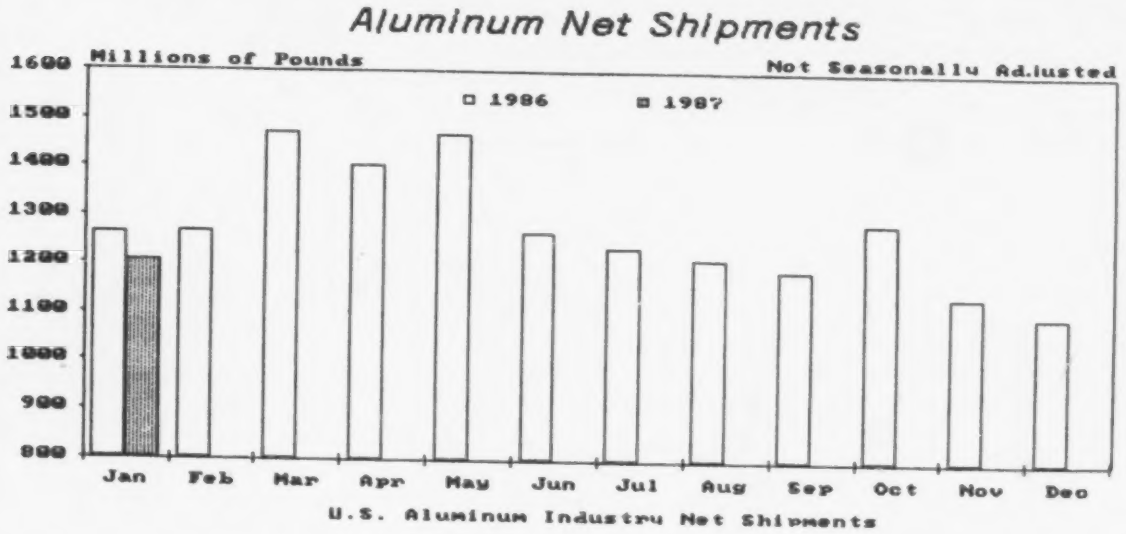
The annual rate of production in February 1987 was 3,096,026 metric tons, compared to 3,277,531 metric tons in February 1986. The January 1987 annual rate was 3,079,073 metric tons. Actual production in February 1987 was 237,503 metric tons.



Aluminum Association total industry estimates are based on information reported by members, which is aggregated by the Association and then expanded to total industry data utilizing an expansion ratio that attempts to reflect the relationship of reporters to the total industry. While the Association believes that its statistical procedures and methods are reliable, it does not warrant the accuracy or completeness of the data. All data contained herein are subject to revision.

Net Shipments Down 4.7 Percent

Estimated total industry net shipments of 1,206 million pounds for January 1987 were down 4.7 percent from the January 1986 total of 1,265 million pounds. Exports were down 8.2 percent so domestic shipments showed a 4.4 percent decrease over a year ago.



Net Shipments

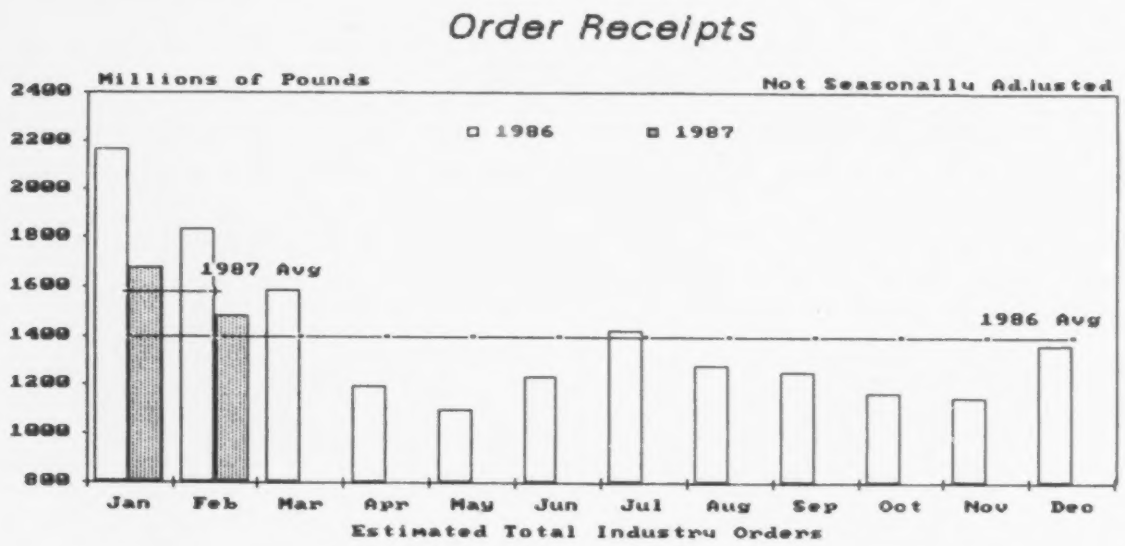
(Millions of Pounds)

	1987 Jan.*	1986 Jan.	1987 1 Mos.	1986 1 Mos.	% Change YTD 1987 vs. 1986
Sheet	534.0	517.5	534.0	517.5	+ 3.2
Plate	24.0	23.4	24.0	23.4	+ 2.6
Foil	71.0	73.3	71.0	73.3	- 3.1
Rod, Bar & Wire	26.0	30.3	26.0	30.3	-14.2
Electrical Conductor	46.0	51.0	46.0	51.0	- 9.8
Extruded Shapes & Tube	216.0	229.1	216.0	229.1	- 5.7
Powder & Paste	6.0	8.3	6.0	8.3	-27.7
Forgings & Impacts	13.0	12.7	13.0	12.7	+ 2.4
Net Imports of Mill Products (Total)(a)	90.0	81.5	90.0	81.5	+10.4
Total Mill Products	1,026.0	1,027.1	1,026.0	1,027.1	- 0.1
Ingot(b)	180.0	238.2	180.0	238.2	-24.4
TOTAL INDUSTRY SHIPMENTS	1,206.0	1,265.3	1,206.0	1,265.3	- 4.7
Exports	-85.1	-92.7	-85.1	-92.7	- 8.2
TOTAL DOMESTIC SHIPMENTS	1,120.9	1,172.6	1,120.9	1,172.6	- 4.4

*Latest month estimated by the Aluminum Association.
Previous data-Bureau of the Census and Department of Commerce.
(a) Not included in product data above.
(b) Sufficient data not available for reliable estimate. Implicit in this item is a 10 to 25% variation.

Net New Orders Down 21.0 Percent

Estimated net new order receipts for two months of 1987 at 3,159 million pounds were down 21.0 percent versus the first two months of 1986 total of 4,001 million pounds. February orders of 1,479 million pounds were down 19.3 percent versus a year ago.



Order Receipts

(Millions of Pounds)

	1987 Feb.*	1986 Feb.	1987 2 Mos.	1986 2 Mos.	% Change YTD 1987 vs. 1986
Can Stock(a)	226.4	443.4	641.4	889.3	-27.9
Sheet & Plate, Other	454.3	448.6	913.4	894.5	+ 2.1
Foil	71.1	86.7	142.9	164.1	-12.9
Rod, Bar & Wire	35.8	34.3	66.2	66.8	- 0.9
Electrical Conductor	51.7	51.5	99.0	111.2	-11.0
Extruded Products	349.6	281.1	674.2	551.8	+22.2
Powder & Paste	2.9	4.0	6.8	14.3	-52.4
Forgings & Impacts	10.8	9.3	25.4	19.4	+30.9
Domestic Mill Products	1,202.6	1,358.9	2,569.3	2,711.4	- 5.2
Ingot (Total)	186.3	412.0	432.8	1,092.9	-60.4
TOTAL DOMESTIC	1,388.9	1,770.9	3,002.1	3,804.3	-21.1
Exports	90.0	62.00	157.2	197.0	-20.2
TOTAL ALL PRODUCTS	1,478.9	1,832.9	3,159.3	4,001.3	-21.0

Source: The Association estimates total industry orders (including orders for imports), based on weekly reports by members of new orders (less cancellations) received. The Association expands these data to total industry utilizing an expansion ratio that attempts to reflect the relationship of reporters to the total industry. Weekly data are available upon request.
(a) Domestic only. Orders for imports of can stock are included in Sheet and Plate, Other.
*Latest month.

January 1987 Inventories Increased 33 Million Pounds

Producer inventories increased an estimated 33 million pounds in January 1987 from the revised December 1986 level of 4,939 million pounds

Month-End Aluminum Inventories
By Type of Producer
Figures in Millions of Pounds

Month	Total*	Integrated	Smelters	Non-Integrated
Dec 84	5,850	4,692	229	929
Month	**Total***	**Ingot**	**Scrap**	**All Other**
Dec 85	5,165	2,235	567	2,363
Feb 86	5,158	2,038	562	2,558
Mar 86	5,054	1,865	521	2,668
Apr 86	5,097	1,795	560	2,743
May 86	5,045	1,840	591	2,614
Jun 86	5,043	1,959	614	2,471
Jul 86	5,084	1,998	625	2,461
Aug 86	5,059	2,058	626	2,375
Sep 86	4,976	1,995	647	2,334
Oct 86	4,927r	1,896	622r	2,409
Nov 86	4,902r	1,879r	598r	2,425r
Dec 86	4,939r	1,982r	642r	2,315r
Jan 87	4,972	1,930	620	2,422

*Latest month estimated by Aluminum Association. Previous data-Bureau of the Census. Inventories include ingot, mill products and scrap.
Early estimates are available approximately the 5th working day each month; however; there is a charge for this special service. Contact the Aluminum Association Department of Economics and Statistics for details.

Imports and Exports

(Millions of Pounds)

		1987 Jan.	1986 Jan.	1987 1 Mos.	1986 1 Mos.	% Change 1987 vs. 1986
Imports	Mill Products	93.2	91.2	93.2	91.2	+ 2.2
	Ingot	242.4	180.4	242.4	180.4	+ 34.4
	Total	335.6	271.6	335.6	271.6	+ 23.6
	Scrap (+ dross)	44.1	26.4	44.1	26.4	+ 67.0
	Grand Total	379.7	298.0	379.7	298.0	+ 27.4
Exports	Mill Products	43.6	44.6	43.6	44.6	- 2.2
	Ingot	41.5	48.1	41.5	48.1	- 13.7
	Total	85.1	92.7	85.1	92.7	- 8.2
	Scrap	58.3	72.0	58.3	72.0	- 19.0
	Grand Total	143.4	164.7	143.4	164.7	- 12.9
Net Imports		236.3	133.3	236.3	133.3	+ 77.3

Source: Department of Commerce, Industry Trade Administration and Bureau of the Census. Excludes backed foil.